

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 120 – SB 283

March 30, 2017

SUMMARY OF ORIGINAL BILL: Extends the ticket refund period, from 180 to 185 days, from the date of cancellation of a nonprofit produced performance or event which was cancelled due to a natural disaster.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (006523): Deletes all language after the enacting clause. Defines a “commercial dog breeder” as any person who, during a 12-month period, possesses or maintains 10 or more intact female dogs in this state for the primary purpose of selling their offspring as household pets. Prohibits any breeder from offering for sale or selling a dog to a consumer unless the breeder maintains: (a) a valid Class A or Class B animal dealer’s license issued by the United State Department of Agriculture (USDA) or (b) a letter of determination issued by the USDA stating that the applicant is not required to hold the license set out in “(a)”. Establishes various other requirements of breeders, including but not limited to, requirements for proper veterinary care and adequate housing facilities.

Upon receipt of a complaint by the Department of Commerce and Insurance (TDCI) alleging improper care by a commercial dog breeder, a copy of such complaint must be promptly provided to such breeder. Upon receipt of the complaint, the breeder must provide written evidence that a veterinarian or a veterinarian’s designee has inspected the breeder’s facilities within the past 12 months and found it to be in compliance with the requirements set out in this legislation. Establishes that it is a violation to operate any housing facility that has either not been inspected pursuant to the provisions of this legislation, or has been found to be in violation. Requires breeders to keep documentation of inspection reports for a period of at least four years following issuance of the report. Requires a breeder to make all such inspection reports available to any consumer, before or after entering any transaction, or to the Attorney General’s office. A refusal to provide such information is considered a violation.

Establishes that it is an unfair or deceptive practice affecting the conduct of any trade or commerce, pursuant to the *Consumer Protection Act of 1977* (Act), when committing any violation specified in the provisions of this bill. An effective date of January 1, 2018.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- The number of complaints that TDCI will receive as a result of this bill as amended is unknown, but such complaints are assumed to result in a number of on-site inspections, and thus inspection fee revenue, sufficient for covering any inspection costs incurred by the TDCI.
- The Division of Consumer Affairs can handle any increase in formal complaints, utilizing existing staff during normal work hours.
- Committing an unfair or deceptive practice under the *Consumer Protection Act of 1977* is a Class B misdemeanor offense.
- There will not be a sufficient number of Class B misdemeanor prosecutions for state or local government to experience any significant increase in fine revenue or expenditures.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Pursuant to the federal *Animal Welfare Act* (AWA), a breeder is required to hold a license with the USDA to operate as a dog breeder; however, this licensure requirement may be waived if the breeder derives less than a substantial portion of his income from the breeding and raising of dogs and sells any such dog to a dealer or a research facility.
- Pursuant to § 2153 of the AWA, a licensure fee may be assessed by the USDA on an equitable basis, taking into consideration the type and nature of the operations to be licensed.
- The number of current dog breeders in this state who are required to hold a breeder's license with the USDA and who are actually licensed with the USDA is unknown.
- Any expenses incurred in becoming licensed with the USDA as a result of this bill as amended are not considered business expenses that would affect business or commerce in this state because operating without such licensure is prohibited by federal law.

- Any expenses incurred by dog breeders from fees assessed as a result of an act that is in violation of the provisions of this bill as amended are penalties and are not considered business expenses that would significantly affect commerce or jobs in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/jdb